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ECONOMIC COMMISSION FOR AFRICA

Fourth Meeting of the Conference of Ministers of African Least Developed Countries

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LC/NAIROBI

IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION IN AFRICAN LEAST DEVELOPED COUNTRIES (1981-1983)

Report of the secretariat

I. INTRODUCTION

1. Paragraph 122 of the Substantial New Programme of Action (SNPA) adopted by the United Nations Conference on the Least Developed Countries held at Paris from 1 to 14 September 1981 and the United Nations General Assembly in Resolution 36/194 of 17 December 1981, called upon competent United Nations Organizations, especially the regional commissions, to "prepare periodic reports on the activities falling within their competence as inputs into the global review process". Moreover, in paragraph 125, the SNPA requests the Regional Commissions to "contribute to the follow-up process and offer an opportunity for the least developed countries of their respective regions to exchange experience and seek solutions to common problems at the national, regional and global levels".

2. Since the adoption of the Programme, the ECA secretariat first of all assessed the Conference in terms of commitments made by the international community especially donor countries and agencies in the light of expectations of African least developed countries (LDCs) in order to enable the latter to better define the domestic arrangements required to implement their respective plans. The assessment was made in a report submitted to the second Conference of Ministers of African Least Developed Countries held at Tripoli in April 1982. The ECA secretariat then made a critical review of the implementation of the SNPA in the light of meetings of donors already organized, in particular, the terms under which they were held and the results obtained. However, the small number of meetings held between September 1981 and April 1983 (four UNDP round tables, a consultative group meeting of the World Bank and one conference of United Nations donors), did not permit a detailed assessment to be made on the implementation of SNPA.

3. Nevertheless, that critical review brought out certain basic aspects such as (a) the need for donor countries to honour their commitments to devote 0.15 per cent of their gross domestic products as Official Development Assistance (ODA) to assist the least developed countries; (b) the need for least developed countries to have well defined projects and to stress, if need be projects with a subregional or regional impact; (c) participation of donor countries and agencies at an appropriate level, in review meetings so that firm commitments and final decisions could be taken and (d) the need to ensure that review meetings with donors served as a mechanism for reaching concrete decisions and did not become mere fora for exchanging views on the development needs of the individual LDCs. It was in that spirit that the third meeting of the Conference of Ministers of African Least Developed Countries requested, in its resolution 482 (XVII),

the Executive Secretary of ECA, in collaboration with the lead agencies to undertake periodically an assessment of the results and effectiveness of review meetings.

4. This report was prepared in response to the above resolution and with a view to helping to identify the major obstacles to the effective implementation of the Substantial New Programme of Action in African LDCs as well as to improve procedures for preparing and organizing meetings in the future. After a brief review of the status of preparation of review meetings in African LDCs, meetings that have been already held are assessed with particular reference to national programmes submitted to donors, the reactions of the latter, the commitments made and national, bilateral or multilateral follow-up mechanisms. Finally, the report endeavours to identify, at the national and international levels, measures likely to ensure both a better preparation and organization of review meetings and secure greater support from the international community in line with the recommendations of the sixth UNCTAD conference.

II. CURRENT STATUS OF PREPARATIONS ORGANIZING REVIEW MEETINGS

5. At the third meeting of the Conference of Ministers of African Least Developed Countries held at Addis Ababa in April 1983, a high-level consultation among Ministers of LDCs and with representatives of the UNDP Regional Bureau for Africa and the World Bank led to the establishment of a tentative schedule of country review meetings with donors. The meeting particularly recommended that the deadline envisaged in paragraph 114 of the SNPA for holding country review meetings should be extended so that the remaining African LDCs could hold their respective meetings during 1984. That recommendation was reflected in resolution 482 (XVIII) of the ECA Conference of Ministers and in the resolution adopted on 3 July 1983 by the sixth session of the United Nations Conference on Trade and Development held at Belgrade, Yugoslavia. However, the UNCTAD resolution specified that the conferences with donors should be organized before the 1985 global mid-term review of the SNPA.

6. The high-level meeting revealed that two countries, Botswana and Sierra Leone, had been unable to determine the dates for their respective meetings. Of the five countries (Burundi, Comoros, Djibouti, Guinea and Guinea Bissau) which had planned to organize their meetings in 1983 and on the basis of information available at the ECA secretariat, only the Republic of Djibouti was able to organize its meeting which was held from 21 to 23 November, 1983. It should also be mentioned that although information available on those countries is fragmentary.

The United Republic of Tanzania, Somalia and the Sudan organized meetings within the framework of the World Bank consultative group meetings in Paris. It should be noted that the World Bank, as well as the countries included in its consultative group, prepare and organize their meetings with donors outside the United Nations system.

7. The small number of review meetings actually held in 1983 has led to a high concentration of such meetings in 1984. Indeed, considering the meetings scheduled for 1984 as a result of the April 1983 high-level ministerial conferences, about 14 meetings should be organized during 1984, that is, at least an average of one meeting a month. However, it seems that several meetings have been scheduled for the second half of 1984, particularly during the last quarter. Table 1, shows that as of 31 December 1983, on the basis of information obtained by ECA from UNDP resident representatives, four countries have already planned to hold their meetings in the last quarter of 1984 and five others have still not been able to fix dates for their meetings will probably not be able to organize their meetings in the first half of 1984.

8. It should also be noted that the current trend indicates a slow-down in the rate of review meetings, particularly UNDP round tables. In 1983 there were only two round tables organized by Benin and Djibouti with the assistance of the UNDP Regional Bureau for Africa and Arab countries as against four round tables (Cape Verde, Equatorial Guinea, Rwanda and Mali) in 1982, organized only by the UNDP Regional Bureau for Africa. On the other hand, it appears that the consultative group meetings of the World Bank scheduled for 1983 were all held as scheduled (Uganda, Somalia and Sudan). If this trend continues without any substantial adjustment, there are grounds to fear that the first round of review meetings for Africa will not be completed before the Global mid-term review in September/October 1985.

III. ASSESSMENT OF THE REVIEW MEETINGS ORGANIZED SINCE THE ADOPTION OF THE SNPA

9. On the whole, the round tables so far organized have been well prepared despite some difficulties in co-ordination between prime contractor ministries and lead agencies. The documentation analaying the economic and social situation of the countries and the objectives of investment policies, as well as the various projects to be submitted to donors, was available in sufficient time to enable donors to identify those projects which interested them.

10. Although the level of donor representation was high in some cases, it often did not permit representatives of some financing agencies to make firm commitments in respect of financing. The policies enunciated by the African LDCs were

designed within the framework of the overall national development and sectoral strategies (rural development policy, industrial policy, etc.) and with due regard to the resources needed to attain those objectives (institutional structures, investment policy, etc.).

A. Policies pursued

11. The development policies pursued by the African least developed countries, under the Substantial New Programme of Action and particularly the investment programmes they submitted to the donors' round tables, gave precedence to the development of the productive sectors of the economy and the creation of growth-promoting infrastructure. Paragraphs 9 to 58 of the Programme define the priority areas for the least developed countries' development policies. Overall, the spirit of SNPA has been respected in the formulation of those policies.

12. Each country has made self-sufficiency in food and primary objective underlying its agricultural investment programme. Accordingly, projects to enhance agricultural productivity, to bring about better control over water resources, to improve grain storage conditions and expand the area of land under cultivation are receiving most attention from Governments. Improving social conditions for the rural population, which accounts for the bulk of these countries' total inhabitants, through farm-worker training programmes and the popularization of techniques, is another objective sought in most of the investment programmes.

13. Industrial policy, which is an integral part of any development policy, is often linked in the least developed countries' investment programmes to changing agricultural output. Industrial development projects are largely based on agro-industry and light industry with a view to meeting the growing demand for basic consumer goods. Some LDCs with natural resources have plans for setting up ore-processing or building materials industries. All these projects tend to increase the value added in manufacturing as a proportion of national output, which at the moment is no greater than 5 to 10 per cent.

14. In all the LDCs' investment plans, the development of the productive sectors goes hand in hand with a policy of developing physical infrastructure, particularly in the area of transport and communications. Social infrastructure (schools, hospitals, health centers, sports facilities, public housing) also received adequate attention.

B. Volume and sources of funding

15. Apart from two countries that submitted all their projects under their development plans (Cape Verde and Malawi) the African least developed countries mostly picked out a set of priority projects. Among this latter group such priority projects account for between 58 per cent (Djibouti) and 69 per cent (Benin) of the total investment called for under the national plans that embrace the various investment programmes.

16. As tables 2(a) and (b) show, the external funding requirements of the projects submitted to the various round tables averaged 75 per cent. Some disparity between different countries should, however, be noted. While countries such as Cape Verde can draw on substantial national savings, in part because of the sums remitted by their migrant workers, others such as Djibouti and the Comoros are dependent on external sources for 94 and 85 per cent respectively of the funds for the projects they have submitted. Both direct project assistance and non-project aid have been requested.

17. The kind of aid sought by the LDCs follows the recommendations in paragraph 70 of the Substantial New Programme of Action, which sets a target of 100 per cent of direct assistance for projects in the form of grants. In view of the fairly low limit on foreign debt servicing that the LDCs have set themselves, the aid they are requesting should be made available on the most generous terms possible (low interest rates and adequate grace periods). The cost of all the projects put forward total about $US 8.4 billion at 1981 prices, and the amount of external funding sought is about $US 6.1 billion, also at 1981 prices.

C. Allocation of investment resources by sector

18. Three basic factors seem to have influenced the allocation of investment resources to different sectors: geographical position (four of the countries, Burundi, Malawi, Mali and Rwanda, are completely land-locked and two, Cape Verde and the Comoros, are islands); the almost exclusively agricultural and pasteral nature of all eight countries; and, except in the case of Mali, their very limited size. Hence rural development, which has a large component of projects concerned with self-sufficiency in food and the production of primary commodities, and transport and communications infrastructure, account for 23 and 20 per cent respectively on the average of total investment and as such are the main priority sectors.

19. According to table 3, the social sector - education, training, health, social and cultural affairs and sport - comes third with 14 per cent of total investment on average, while manufacturing industry, mainly agro-industrial projects which are often hampered by large-scale production constraints (small domestic markets and little world demand), building and public works, often restricted by countries' limited ability to import capital goods, and non-administrative services absorb, on average, 13, 12 and 4 per cent of total investment, respectively. The relatively large proportion devoted to energy and mining (an average of 12.5 per cent) is for anticipated mineral prospecting operations, particularly in Benin, Mali and Rwanda, and research on new sources of energy (wind, solar, biomass etc.), in Burundi, the Comcros Djibouti, Mali, Rwanda and elsewhere.

C. Response of donor countries and multilateral institutions

20. In general, the donor countries and agenciew expressed approval and support for the long-term objectives and development strategies set forth by the LDCs. The sectoral presentations, made by the African LDCs at the request of the donor countries and agencies, clarified these objectives and strategies in many cases. During the round tables the African LDCs also indicated in quantitative terms what domestic efforts they plan to make to fund their respective programmes.

21. The earnestness and commitment shown by the least developed countries were not always fully understood, however, by the donor countries and agencies. All too often the realism of the LDCs' proposed programmes was challenged on the following grounds (i) the countries had limited absorptive capacities since sums made available to some of them have not been used for long periods; (ii) Governments were unable to mobilize national savings to finance part of their programmes; (iii) existing investments needed to be consolidated and restored to good standing before new programmes were undertaken; (iv) inadequate preparations had been made for some projects, and their actual cost might be far higher than shown in the programmes put forward; etc. In other words, the donor countries and agencies do not have confidence in the African least developed countries to practically implement their respective programmes.

22. This lack of confidence shows up in a number of areas, which if continued, would jeopardise the Substantial New Programme of Action in the least developed countries in Africa. IMF financial recovery programmes and World Bank structural adjustment schemes which are tending more and more to relegate

the medium- and long-term programmes drawn up by the African LDCs because the emphasis tends to be on recovery in the public sector, import cuts and, in some cases, devaluation. Those IMF and World Bank schemes have normally served to depress the economies of the countries concerned still further, thus reducing their ability to pursue their own medium- and long-term programmes. For example, countries involved in financial recovery or structural adjustment schemes are prevented from financing local project counterparts or recurring costs, and this reduces their absorptive capacity and contributes to the deterioration of existing investments.

23. It is important to realise that the least developed countries at the Paris Conference, in September 1981, wanted the Substantial New Programme of Action to include a short-term component to revitalise the economies of the countries concerned before the longer-term programmes came into effect. Agreement by the donor countries and agencies would have allowed the international community to specify the elements of such a programme in more detail, for execution in 1982 before the medium- and long-term programmes were drawn up. As a result, three years after the Paris Conference the African LDCs have not embarked on economic and financial programmes that are aimed at revitalizing key production sectors.

24. Another growing tendency in 1983 has been for donor countries and agencies not to give firm commitments at donor conferences. Referring to the observations made earlier, donor countries and agencies are confining themselves to expressing an interest in the various projects presented and reserving the right to consider them more carefully in a bilateral framework. Even efforts by LDCs to arrange meetings between donors on the fringes of the round tables, with a view to securing joint backing for projects, have generally been unproductive. A growing number of donor countries and agencies are linking firm commitments on their part to the satisfaction of certain conditions - debt servicing, for example. As a result, projects for which funding has already been negotiated are delayed or left open to further uncertainty.

25. A third tendency that is showing up in the implementation of the programme in the African LDCs is a disregard for the priorities defined by countries at donor conferences. In a great many cases, the most important projects in essential areas such as agriculture, transport, energy or the development of mining potential end up with no funding at the end of a round table. On

the other hand, non-priority projects are given partial backing and hence cannot be carried out for lack of the remainder of the funds. This practice on the part of donors makes it difficult to use resources rapidly and helps to lend validity to the notion that the absorptive capacity of the countries concerned is continuing to dwindle.

26. Given the way in which the donor conferences have been progressing, the least developed countries have been constrained to make any reasonable assessment of their outcome. Accordingly, the future of their programmes is still more surrounded by uncertainty than it was before the adoption of the Substantial New Programme of Action in 1981. In fact many countries, having held donor conferences, are continuing to devote extensive financial and human resources to follow-up meetings, often in the capitals of the donor countries or agencies, with little apparent success.

D. Follow-up mechanisms

27. The critical importance of reviewing progress in the implementation of the Substantial New Programme of Action is strongly emphasized in chapter III, paragraph 128, of the Programme. The purpose of the review is to keep up the momentum of commitments by the international community and undertakings by the LDCs over the decade so as to hasten growth and structural transformation.

28. Pursuant to resolution 481(XVIII) of the third meeting of the Conference of Ministers of African Least Developed Countries, the ECA secretariat reminded the States concerned that ECA is available to help with the establishment and operation of national machinery for following up on round tables, or any other activity in pursuit of the better mobilization of domestic resources. It sent a mission to two African LDCs that took up its offer, to learn of efforts at the national level to follow up on the country review meetings. These were primarily concerned with: (i) designating a central body to keep in constant touch with donors, backed up by an interministerial co-ordinating structure to determine how far programmes had got before the meeting with the donors; (ii) quarterly meetings with donors' local representatives to assess the progress made; (iii) missions to donor countries to finalize and sign agreements confirming commitments made at round tables; (iv) specific meetings on some priority projects that had been endorsed by a number of donors at the country review meetings; and (v) strengthening the establishment needed to follow up on the projects submitted to donors at the review meetings and make an accurate assessment of the country's overall economic status. Some very encouraging results were obtained in these LDCs thanks to assistance from the ECA secretariat, among others, in producing statistical information and making an assessment of the overall economic situation, and from UNDP through specific projects in support of planning structures.

29. For the recipient countries, the programmes prepared for the donor conference should particularly put more emphasis on (i) the short-term constraints which highlight the capacity of the country to successfully engage on a long-term programme, (ii) the short-term actions envisaged and the needs for external assistance, (iii) the priority sectors for medium and long-term actions and the national or sub-regional measures to this effect. In other words, the LDCs would have to present to the international community a short and medium term programme of action which is coherent and realist and which puts emphasis on the national actions and policies to be implemented. Experience has showed that the presentations of long-term objectives and strategies with the corresponding growth rates and the indications of external financing, require important resources from the African LDCs but do not; in practice, induce the necessary support of donor countries and organizations. One should, therefore, look for a less expensive, less ambitious and more limited approach.

30. Parallel to the efforts of recipient countries to prepare these programmes, potential donors should also try to contribute more concretely to the realisation of a minimum programme of action prepared by the African LDCs. In particular, concrete commitments could be taken in areas such as:

(i) assistance to the rehabilitation of certain unit of production, namely industry and the maintenance of infrastructures,

(ii) the debt relief through the cancelling or rescheduling of external debts.

(iii) balance of payments support notably for the industrial raw materials input, energy products and spare parts.

(iv) the contribution of donors for the joint financing of priority projects to which the government will devote important internal resources.

31. The United Nations system should also play a very important role for a better preparation and organization of the donors conferences. First of all, the technical assistance provided by the lead agencies should be concentrated on (i) the identification and the evaluation of urgent needs and the formulation of programmes aimed at expanding the production from the existing structures, (ii) the preparation of priority programmes and projects whose medium term realization would contribute more to establish the basis of self-sustained growth and a less dependent economy and (iii) the definition of necessary measures in order to ensure a maximum of internal financing of the priority programme and its efficient implementation to do so, the lead agencies should utilize more the available capabilities in the United Nations system. This would contribute to the reduction in the costs of project preparation. Further by concentrating on the limited actions, the programmes hence prepared would gain more in precision; and this should facilitate the necessary support of donor countries and organizations.

32. As conceived, the donors conferences would be the occasion for restoring the necessary confidence between the African LDCs on the one hand and the donor countries and organizations on the other. While the former could base their action on the precise commitments and plan with a minimum of uncertainties, the latter would have the assurance that the proposed programmes are realistic and that the national measures envisaged by the recipient countries can be implemented. Such a climate of confidence would also facilitate the follow-up of donor conferences at the national level as well as among LDCs, the United Nations system and the donor countries and organizations.

IV. EVALUATION OF THE OVERALL INTERNATIONAL CO-OPERATION EFFORTS IN THE IMPLEMENTATION OF SNPA

a) Trends in aid flow

33. Total external aid flows to the 26 African LDCs increased by 22.3 per cent annual in real terms during the 1970-1981 period, reaching a level of US$ 4593.9 million in 1981 as compared to US$ 500.8 million in 1970. The Official Development Assistance (ODA) from all sources increased by 21.3 per cent annually during the same period, with bilateral ODA from DAC countries representing about 49.6 per cent of total ODA in 1981. After the Paris Conference on the LDCs in 1981, DAC member-countries recognized the necessity to substantially increase their ODA in real terms in order to enable the LDCs to achieve the objectives of their country programmes within the framework of the SNPA. The volume of ODA from DAC countries, multilateral organizations and OPEC to individual African LDCs decreased in 1982 as compared to that of 1980 in 17 out of 26 African LDCs. The overall ODA declined from US$ 4120.9 million in current prices in 1980 to US$ 4033.9 in 1982.

34. The declining trend of overall ODA flow to African LDCs started in 1980 when the ODA receipts declined by some 28 per cent in nominal terms. A further decline occured in 1981 by 0.1 per cent in current terms and in 1982 by 2 per cent. Overall net flows to African LDCs from multilateral agencies mainly financed by DAC remained unchanged during the period 1981-1982 as compared to 1980. Also OPEC bilateral concessional flows declined by some 21.3 per cent in 1981 and increased by 60.9 per cent in 1982 to reach US$ 514.6 million.

35. Non-concessional flows (official and private from all sources) have traditionally been small in volume in the case of the African LDCs as can be seen from Table 4, but it increased by 28.2 per cent per annum over the period 1970-1981. In 1981, it amounted to US$ 913.6 million, i.e. 20.0 per cent of total flows to African LDCs. Half of these flows are provided in the form of guaranteed private export credits from DAC countries.

b) Terms and conditions of aid

36. It was envisaged in the SNPA that the average grant element of all commitments from donors should be increased substantially for LDCs. The SNPA also stipulated that ODA loans and grants to LDCs should be provided to the maximum extent possible on an untied basis. For the LDCs as a group 58 per cent of bilateral ODA commitments from DAC countries was untied in 1982,

compared to 37 per cent in 1979. Almost all the concessional assistance provided by OPEC countries and OPEC multilateral agencies is untied.

37. In addition, there are provisions in the SNPA that call upon developed countries to adjust the terms of past bilateral ODA in favour of LDCs in the form of debt relief. In 1982, 14 DAC countries announced specific retroactive adjustment measures that benefited about 21 African LDCs. These measures include, inter alia, the reduction of the service payments on loans. Ireland, Luxembourg and Norway had written off all debts of LDCs. Total nominal value of debt relief granted to the LDCs as a whole, in the form of debt cancellations, amounted to US$ 2.7 billion by 1980. Still, the official debt and debt service payments of the LDCs has increased steadily, reaching US$ 18.4 billion in 1981 as compared to US$ 12.9 billion in 1978. In some cases, the relief granted is still subject to parliamentary approval of the donor countries in other cases, it has not always taken the form of a straightforward cancellation of debt. For instance, the USA which provides 18 per cent of ODA to LDCs (the second biggest donor) had obtained authority to undertake retroactive terms adjustment for certain loans on a case-by-case basis, but its Congress has not yet appropriated funds to implement this authority.

c) Problems of project co-financing

38. With the deterioration of economic conditions in most of the industrialized countries resulting in the decline of ODA to LDCs and the rapid increase in the resources needs of the African Least Developed countries, it has become clear that the African LDCs themselves have to deal with their immediate problems through the mobilization of all available resources, both public and private, and to increase their efficient use. In this context, project co-financing is one of the useful method of development finance that offers the potential for leverage and increasing the effectiveness of the available resources.

39. Most of the African LDCs have usually preferred joint financing arrangements under a single lead agency, since they view them as administratively simpler than parallel co-financing arrangements. However, for most of the African LDCs, the market's perception of their creditworthiness sharply limits their access to private external medium and long-term credit.

(d) Overview of UNCTAD VI

40. The sixth session of the United Nations Conference on Trade and Development (UNCTAD VI) held in Belgrade, Yogoslavia, from 6 June to 3 July 1983, considered the "Buenos Arres Platform" which included the "Libreville Memorandum on Trade and Development: Africa and UNCTAD VI". The results of the

negotiations on all the issues are contained in UNCTAD VI Resolution TD/VI/CG/CRP.9 on the SNPA, however the understanding reached on certain critical areas needs to be highlighted. On the issue of ODA targets and time frame, the developed market economy countries (Group B) reiterated their position which was registered in Paris in September 1981 and stated that they cannot commit themselves to specific targets during a given period although there were plans and budgetary indications in their aid programmes to increase the level of aid in the medium term. The developed socialist countries (Group D) indicated that commitments on aid target and time frame should be the onus of those countries in a position to do so which was contrary to the spirit of the Paris Conference.

41 With respect to the alleviation of the debt-burden of LDCs the G-77 made a two-tier proposal i.e. (i) to seek for an agreement on the use of generalized debt relief as a financial instrument for improving the external financial position of the LDCs through the implementation of section A of TDB Resolution (165 (s-ix)) by which the developed countries had agreed to consider retroactive adjustment of their ODA loans to the LDCs; and also to seek for a massive conversion of ODA loans into grants; and (ii) to improve the institutional arrangements governing debt relief by securing a more vigorous application of the guidelines on debt relief operations (contained in TDB Resolution 222 (XXI). However, the position of the developed market economy countries was that the implementation of the TDB decisions was not legally binding on individual developed countries and that debt relief measures should be undertaken on a bilateral basis between debtors and creditors depending on the goodwill of the concerned creditors to respond positively to the request of individual LDC for debt relief. As for debt cancellation, only three donor countries had so far written-off all debts to the LDCs. Other relief had come from retroactive terms adjustment or "equivalent action" taken in pursuance of Section A of TDB Resolution 165 (s-ix) by some DAC countries which had marginally benefited 21 African LDCs, excluding Cape Verde, Djibouti, Equatorial Guinea, Guinea-Bissau and Sao Tome and Principe.

42. On the IMF Compensatory Financing Facility (CFF), the issues of interest to the LDCs were: (i) to seek for special consideration in the next round of the IMF Executive Board's assessment of the need to expand and liberalize the existing CFF for shortfalls in export earnings of LDCs; (ii) to urge all developed countries to participate in the establishment of a stabex-type scheme including all LDCs within the context of the Paris decisions.

43. In view of the existence of various multilateral commodity stabilization schemes with different objectives and economic and political considerations, there was no general agreement among the developed countries of Group B. Some developed countries felt that such a Global Stabex-Scheme would undermine progress

already achieved in the area of compensatory financing and in any case such an arrangement for the LDCs as a whole was neither feasible nor a significant way to assist the LDCs. Although the Stabex proposal was therefore blocked, the Conference requested the IMF Executive Board to give special consideration to the LDCs in the next round of review of the CFF.

44. The proposal of the third meeting of the Conference of Ministers of African LDCs to extend the deadline for convening review meetings beyond 1983 was endorsed by UNCTAD VI in a recommendations to the UN General Assembly. At its 38th session, the General Assembly also approved the recommendation and this is contained in paragraph 15 of Assembly Resolution 38/195 on the implementation of the Substantial New Programme of Action for the 1980s for the least developed countries which was adopted on 20 December, 1983.

V. INCREASED COORDINATION IN THE IMPLEMENTATION OF THE SNPA

45. On the basis of the experiences so far gained, an attempt is made here to reflect on the best ways and means of ensuring better preparation and organisation of review meetings by those countries that still have to hold these meetings. In this respect some important measures at the national, regional and international levels are suggested.

(a) Coordination in the preparation of the review meetings

46. In line with paragraph 111 of the SNPA, the UNDP and the World Bank, as lead agencies, have provided both financial and technical assistance for the entire process of preparing for the review meetings. In general the most critical part in the preparatory stage has been the preparation of the basic documents. In many cases African LDCs have based their documents on an ongoing or already elaborated national development plan. This has had tremendous advantages including, in particular, (a) the minimization of the time involved in elaborating the documents for the review meeting; (b) the ease with which the documents can be put within the general development philosophy of a country including the broad strategies and policies; and (c) the reduction in the cost since usually one or two experts would be sufficient to draw up the documents of the review meetings on the basis of an existing plan together with lists of the plan projects.

47. However, some other countries have had to draw up the documents from scratch. In these cases countries have had to decide on whether to draw up short-term programmes of a rehabilitation nature (e.g. Uganda and Chad) or to elaborate a more long-term programme. For these countries, the problems

of preparing documents become more acute since the task involves many issues such as the definition of the broad approaches, strategies and policies, the undertaking of sectoral studies, the working out of a consistant macro-economic framework.

48. Another critical stage in the process of preparing documents for review meetings is the pre-review meeting which discusses the draft documents before they are finally published and sent to donors. This stage is of critical importance since in some cases the countries might be advised to extensively revise the draft documents. As of now, these meetings have been attended by the government of the LDC concerned, UNDP, the World Bank and the EEC. The ECA had attended some of the pre-review meetings for those countries in which it participated in the elaboration of the documents.

49. Overall, and especially for those countries that have to prepare the documents from scratch there are important aspects of co-ordination that have to be taken into account at the national and international levels. At the national level it is of crucial importance to have a national focal point as recommended by the SNPA. Secondly in view of the need to coordinate strategies and policies in the document it might be useful for the country preparing a review meeting to set-up an inter-Ministerial Committee to oversee the preparation of the documents. Such coordination would be considerably useful in avoiding delays, and in establishing a national and political consensus on the programmes proposed.

50. At the international level, experience has shown that countries might require the assistance of different international agencies including those of the United Nations system. In order to ensure that this assistance is effective there is also a need to coordinate efforts at the level of these agencies. Firstly, there is the aspect of the coordination of missions from the various agencies. This is particularly important in the case of countries drawing up programmes from scratch and thus requiring assistance from the various specialised agencies to undertake sectoral studies. Unless the missions from the various agencies are coordinated it is very difficult for the countries to reach consistent sectoral approaches. The Coordination that was attempted in Burundi between UNDP, World Bank and the EEC is a useful example. A second aspect of the co-ordination relates to financial resources. In many cases, agencies like ECA, that are called upon to undertake specific tasks during the preparation of documents might not have adequate financial resources. It would therefore be useful to see to what extent the UNDP or the World Bank would be willing to finance such missions from the resources allocated to countries for the purpose of preparing review meetings. In certain cases the

missions of agencies like the ECA were financed from their own resources diverted from other programmes.

51. Finally, there must be increased coordination at the level of the pre-review meetings. Indeed it seems important that the agencies which may have participated in the preparation of the draft documents should participate at these meetings as well as agencies in charge of regional and global follow-up. The ECA has participated at three pre-review meetings and there is need to give due emphasis to the role that the ECA should play at these meetings as a regional focal point.

(b) Coordination in the organisation of review meetings

52. On the basis of the review meetings that have so far taken place, it can be generally seen that the major factors that influence the successful organisation of a review meeting include: (a) the timing and duration of the meeting; (b) the presentation of the different programmes; (c) the establishment of sub-committees apart from the plenary sessions; (d) the organisation of visits to some development projects. It has to be emphasized that the consideration of these elements have to take account of the different conditions in the country concerned. For example, it will be recalled that most of the consultative group meetings organised by the World Bank have been held in Paris outside the LDC countries thus implying a different set of organisational considerations.

53. With respect to the duration many countries have had meetings lasting between 2-4 days and this has often been sufficient. However, particular attention has to be paid to the timing of the meeting since in some cases donors have tended to leave the meeting earlier due to difficulties of flight connections. This tends to affect the level of representation towards the end of the meeting.

54. For the presentation of the programme at the review meeting some countries present separate sectoral programmes by high officials dealing with the sectors. In other countries sectors were grouped and presented by a minister backed up by technical staff to answer any technical questions that might be raised by donors. In view of the need to optimise on time, it seems that the grouping of sectors can be very useful as it gives more time to the donors to respond to the presentations. In addition, the programme made by ministers seems to lend greater weight to the presentation. Whatever the form of presentation that might be adopted it is clear that at the national level there is need to coordinate the activity among the different sectoral programmes especially if some are grouped together.

55. The organization of sub-committees has also been tried in some review meetings. Those sub-committees are intended to give an opportunity to donors to discuss sectoral issues in detail. It will, of course, be appreciated that the establishment of such sub-committees has to be agreed upon well in advance since it would necessitate bigger delegations on the part of donors to be able to cover the concurrent sessions of the various committees. Also if the sub-committee approach is to be adopted it has to be emphasised that donors should be persuaded to use them to coordinate their assistance among themselves at the sectoral and rproject level. Up till now, review meetings have not been given enough opportunity for different donors to get together and coordinate their assistance in those cases where interest in a project has been shown by more than one donor.

VI. CONCLUDING REMARKS

56. The assessment of the reaction of donors, the evaluation of the overall international efforts in the implementation of the SNPA as well as the relatively poor results of UNCTAD VI all point to the necessity for the African countries to tighten their belts and increase national efforts for their development. The relative importance between national efforts and international assistance has to be carefully reviewed by each individual African LDC with a view to drawing up realistic programmes that will not unduly depend on external financial resources that may not be forthcoming. It might also be useful for each African LDC to make a survey of the donor community so as to assess the likely level of assistance before drawing up any heavy investment programmes. The effective utilisation of resources must also be emphasised.

57. For the recipient countries the programmes submitted to donor conferences should stress (i) the short-term constraints which reduce the country's capacity to engage successfully in a longer-term programmes; (ii) the short-term action envisaged and the needs for external assistances; (iii) the priority sectors for medium-term and long-term action and the national or subregional resources designed for this purpose. In other words, the African LDCs should present to the international community a short-term and medium-term programme of action which is coherent and realistic and which stresses the domestic activities and policies to be implemented. Experience has shown that the presentation of long-term objectives and strategies with corresponding rates of growth and an indication of expected external financing requires a major investment of resources on the part of the African LDCs but does not in practice enlist the support of the donor countries and agencies. It would therefore be better to seek a less costly, less ambitious and more limited programme.

58. Side by side with those preparatory efforts by the recipient countries, potential donors should also try to contribute in a more practical way to the implementation of the minimum programmes of action prepared by the African LDCs. In particular, specific commitments might be undertaken in such fields as:

(i) assistance for the rehabilitaties of certain production units, especially in agriculture and industry and the maintenance of infractructures;

(ii) the easing of the debt burden through the cancellation or extensive rescheduling of foreign debt;

(iii) support for the balance of payments, particularly for imports of industrial raw materials, energy products and spare parts;

(iv) contribution by donors to the local recurrent financing cost of priority projects for which governments would be required to devote large amount of domestic resources.

59. The United Nations system should also play a more positive role in improving the preparation and organization of donor conferences. First of all, the technical assistance provided by the lead agencies should concentrate on (i) the identification and evaluation of urgent needs and the formulation of programmes aimed at revitalizing production on the basis of existing structures; (ii) the preparation of priority programmes and projects whose short-term implementation would help the most to lay the foundations of a self-sustaining and less dependent economy; (iii) the definition of the measures necessary to ensure the maximum internal financing of the priority programme and its effective implementation. For this purpose, the lead agencies should make greater use of the skills available within the United Nations system. This would help to reduce the costs of preparing projects. Moreover, by concentrating on limited action, the programmes thus prepared would gain in precision, thus facilitating the support of donor countries and agencies.

60. If they are planned in this way, the donor conferences will provide an opportunity to restore the confidence necessary between the African LDCs, on the one hand, and the donor countries and agencies, on the other. Whereas the former can base their action on specific commitments and make their plans with a minimum of uncertainty, the latter will have the assurance that the programmes preposed are realistic and that the domestic measures envisaged by the recipient countries can be implemented. Such a climate of confidence should also facilitate the follow-up of donor conferences both at the national level and at the level of relations between the LDCs, the United Nations system and the donor countries and agencies.

ANNEX

Table 1: Provisional timetable of review meetings for 1984, drawn up by the ECA secretariat on the basis of information provided by the UNDP Resident Representatives of the countries concerned

Country	Central organ	Type of meeting	Date
Burundi	Ministry of Planning	UNDP Round Table	8-11 February 1984
Central African Rep.	Ministry of Planning	UNDP Round Table	Oct./Nov. 1984
Comoros	Presidency of the Rep. General Planning Dept.	UNDP Round Table	March 1984
Ethiopia	Central Planning Supreme Council	UNDP Round Table	1984 (month not specified)
Gambia	Ministry of Planning	UNDP Round Table	1984 (month not specified)
Guinea	Prime Minister's Cabinet	UNDP Round Table	End of 1984
Guinea Bissau	Prime Minister's Cabinet	UNDP Round Table	1984 (month not specified)
Lesotho	Ministry of Planning	UNDP Round Table	April 1984
Malawi	Ministry of Planning	UNDP Round Table	27-29 February 1984
Niger	Ministry of Planning	UNDP Round Table	(Postponed)
Sao Tome & Principe	Ministry of Planning	UNDP Round Table	Third quarter 1984
Sierra Leone	Ministry of Development and Economic Planning	UNDP Round Table	1984 (month not specified)
Togo	Ministry of Planning	UNDP and World Bank Round Table	1984 (month not specified)
Upper Volta	Ministry of Planning	UNDP Round Table	October 1984

Table 2: Investment programmes proposed by the African LDCs during UNDP Round Table

(a) In local currency

Country (1)	Programme period (2)	Monetary units	Total volume of investments in the plan which includes the programmes (3)	Value of projects submitted to the Round Table (4)	Expressed needs for external financing		
					Projects (5)	Non-projects (6)	Total (7)
Benin	1983-1987	Billions of CFA francs 1983 prices	598.00	410.00	315.00	-	315.00
Burundi	1983-1987	Billions of Burundi francs 1981 prices	206.50	140.10	111.80	28.30	140.00
Cape Verde	1982-1985	Millions of Cape Verde Escudos 1981 prices	20.30	20.30	1.30	3.20	4.50
Comoros	1983-1990	Billions of Comorian francs 1982 prices	122.60	83.60	62.20	8.60	70.80
Djibouti	1983-1988	Billions of Djibouti francs 1983 prices	100.00	58.00	54.50	-	54.40
Malawi	1984-1989	Millions of kwachas current prices	1,995.00	1,995.00	506.00	-	506.00
Mali	1981-1985	Billions of Malian francs 1980 prices	936.60	630.00	539.00	342.00	881.00
Rwanda	1982-1986	Billions of Rwandese francs 1980 prices	232.30	125.00	78.00	1.97	97.97

Table 2 (cont'd)

(b) In millions of $US

Country	Programme period	Total volume of investments in the plan which includes the programme	Value of projects submitted to the Round Table	Expressed needs for external financing		
				Projects	Non-projects	Total
	(1)	(2)	(3)			
Benin	1983-1987	2 139 (1981 prices)	1 768 (1981 prices)	1 127 (1981 prices)	-	1 127 (1981 prices)
Burundi	1983-1987	2 293 (1981 prices)	1 556 (1981 prices)	1 242 (1981 prices)	314 (1981 prices)	1 556 (1981 prices)
Cape Verde	1982-1985	406 (1981 prices)	406 (1981 prices)	26 (1981 prices)	64 (1981 prices)	90 (1981 prices)
Comoros	1983-1990	439 (1981 prices)	299 (1982 prices)	222 (1981 prices)	31 (1981 prices)	253 (1981 prices)
Djibouti	1983-1988	570 (1983 prices)	330 (1983 prices)	310 (1983 prices)	-	310 (1983 prices)
Malawi	1984-1989	2 213 (1981 prices)	2 213 (1981 prices)	561 (1981 prices)	-	561 (1981 prices)
Mali	1981-1985	1 553 (1980 prices)	1 051 (1980 prices)	899 (1980 prices)	570 (1980 prices)	1 469 (1980 prices)
Rwanda	1982-1986	2 502 (1980 prices)	1 346 (1980 prices)	840 (1980 prices)	21 (1980 prices)	861 (1980 prices)

Table 3: Sectoral breakdown on investments in plans and programmes submitted by the African LDCs during UNDP Round Table (in percentages)

Country	Rural development	Manufacturing industries (agro-industries)	Buildings and public works (1)	Transport and communications (2)	Energy and mines	Services (3)	Social sector (4)	Others (5)
Benin	23.0	12.7	21.0	6.7	7.3	5.2	15.7	8.4
Burundi	22.8	15.2	7.2	18.4	12.7	4.1	13.0	3.5
Cape Verde	23.0	14.9	6.4	27.7	10.6	1.9	9.1	6.4
Comoros	18.1	4.4	6.9	39.2	14.6	3.37	13.5	-
Djibouti	12.0	15.0	16.0	20.0	23.0	-	14.0	-
Malawi	26.5	7.8	10.3	22.9	13.9	-	10.9	7.7
Mali	32.3	31.2 a/	27.4 b/			9.1 c/		
Rwanda	24.0	19.2	19.1	7.0	5.6	6.1	14.9	4.1

1 Notes:

1. Roads excluded
2. Roads included
3. Non-administrative services
4. Education; training; health; social, cultural and sporting affairs
5. Including administrative services

(-) Not recorded

a/ For manufacturing industries, mines and energy

b/ For buildings and public works, transport and communications (1)+(2)

c/ For services, social sector and others (3)+(4)+(5)

Table 4: Volume and share of external aid flows to African LDCs, 1970, 1975, 1980-1981
(million of US$ at constant prices)

		1970		1975		1980		1981		Average annual growth rates 1970-198
		Volume	%	Volume	%	Volume	%	Volume	%	
I.	ODA	441.5	88.2	1513.5	84.4	3736.3	79.7	3680.3	80.1	21.3
	Of which									
	-Bilateral DAC	297.9	59.5	959.9	53.5	2240.4	47.8	2280.6	49.6	20.3
	-Other ODA	143.6	28.7	553.6	30.9	1495.5	31.9	1399.7	30.5	23.0
II.	Non-concessional flows	59.3	11.8	278.9	15.6	950.9	20.3	913.6	19.9	28.2
TOTAL		500.8	100.0	1792.4	100.0	4687.2	100.0	4593.9	100.0	22.3

Table 5: Total net ODA from DAC countries, multilateral organizations and OPEC to individual African LDCs, 1980-1982 (in million of US$ at current prices)

Country	1980	1981	1982	Average annual growth rates (1980-1982)
1. Benin	90.4	81.6	79.9	-6.0
2. Botswana	106.1	96.9	100.7	-2.6
3. Burundi	117.2	122.0	124.6	3.1
4. Cape Verde	64.4	50.3	54.2	-8.3
5. Central African Republic	111.0	101.6	89.4	-10.3
6. Chad	35.3	59.7	59.7	30.0
7. Comoros	40.5	46.8	37.9	-3.3
8. Djibouti	69.3	63.9	54.8	-11.1
9. Equatorial Guinea	9.3	10.2	13.0	18.2
10. Ethiopia	216.0	241.2	184.3	-7.6
11. Gambia	54.4	58.2	47.6	-6.5
12. Guinea	89.5	81.6	65.6	-14.4
13. Guinea-Bissau	59.5	65.2	67.1	6.2
14. Lesotho	90.3	101.0	89.0	-0.7
15. Malawi	143.4	137.7	121.4	-8.0
16. Mali	252.1	232.3	194.3	-12.2
17. Niger	170.2	201.0	252.3	21.7
18. Rwanda	155.3	153.7	145.1	-3.3
19. Sao Tome & Principe	3.9	6.1	9.8	58.5
20. Sierra Leone	92.9	61.2	70.5	-13.9
21. Somalia	446.7	374.0	382.4	-7.5
22. Sudan	620.1	680.8	701.6	6.4
23. Tanzania	666.2	673.3	675.5	0.7
24. Togo	91.0	62.9	77.0	-8.0
25. Uganda	113.6	135.8	130.7	7.3
26. Upper Volta	212.3	216.8	205.5	-1.6
TOTAL	4120.9	4115.8	4033.9	-1.1

Source: OECD, Development Co-operation: 1983 Review.